December 17, 1960

Brig. General Andrew J. Goodpaster Staff Secretary The White House Washington, D. C.

Dear Andy:

Attached is a copy of the memorandum which I mentione: to you over the telephone yesterday. It was prepared as an intelligence working paper for the meeting yesterday evening of State Defense-JCS-CIA representatives.

This memorandum was generally accepted by the participants as a reasonable statement of the present situation in Laus, based on available intelligence, and they agreed that it might be useful to put it in your hands.

Faithfully yours.

(Stated, ALEN W. DUELES

Allen W. Dulles Director

Enclosures

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December 17, 1960

MEMORANDUM:

Attached is a copy of the special Watch Committee report prepared last evening with regard to the situation in Lags.

We concur in the conclusions of this report and believe that we must expect strong Communist reaction, in some form, to the defeat that the Communist and Pathet Lao forces have so far suffer d in the battle for Vientiane.

We are inclined to feel that the initial reaction will be a re-error semi-covert, strengthening of the Pathet Lao--Kong Le forces in the vicinity of Visutiane and a build-up of the Pathet Lao forces in other areas of Laos. This may well include, as one unverified report already received indicates, air dropping of Communist units, which may include Vietminh forces, to supplement the Pathet Lao. A more massive Communist intervention is not to be excluded in our future planning.

Kong Le's forces, according to reports, are retreating north of Vientians in reasonably good order, and while they have lost in manna and material, there is evidence that the bulk of these forces remains intact.

These forces may (1) regroup for an early retalized at act on Vientiane, if they estimate that the Phoumi forces are exhausted, or ill-deployed to deal with a counter attack. (2) They may continue to move north towards Luang Prabang with a view to seizing the royal capital of the country and possibly the person of the King. (Stops are being taken to assure that the King has the facility to quickly loave the royal capital if it is seriously threatened). (3) They might possibly move north and east of their present positions to Lieng Ehousing.

It seems most likely that the Soviet would not have taken the risks incident to their massive air supply of the Pathet Las--Kon; he forces in Vientians unless they had contemplated some follow-up operations. (Some 50 II.--14 flights to Vientians were involved, o which approximately one-third apparently delivered heavy artillesy, ammunition, etc., and the balance mostly POL).

We have further information indicating that four additional IL-16s are being sent from the Soviet Far East to Henei. Also there are reports indicating an increased Chinese Communist shirlift to Nanning, which is the nearest Chicom airport to the North Vietners frontier and on the rail line from Mainland China to Hanoi.

There are also reports regarding shuttle air flights from Hanoi to Dien Bien Phu (which is the nearest air head in Northern Vietnam to the Lao border) and to Sam News.

All of the foregoing reinforces our belief that the \$552.

Peiping and Hanoi are preparing to provide whatever aid they feel is required to prevent the establishment of an effective non-Communicat regime in Laos. They have the capability to channel such aid through Sam Neus which is under effective Pathet Lao control. Such interenting could include initially a greatly increased Communicat airlift and a major larger movement of technicians and volunteers.

The forces under General Phoumi have fought well in the battle for Vientiane. Phoumi himself, however, has tended to be ever optimistic with regard to the extent and significance of his current victory at Vientiane and is certainly ill informed as to the disposition and intention of the enemy.

While measures are being taken to carry out recentaissance in the immediate Vicatione area, the forces under Phousni now have only very limited reconnaissance potential, no combat aircraft of any nature, and only a limited number of light transport and linis on planes, supplemented by similar type planes under contract from CAT, which have mixed civilian American and Chinat crews.

The Boss Oum-Phousi government will require extensive outside military and financial aid merely to survive, let alone ment a vigorous Communist counter attack. Even with such aid, large parts of the countryside will probably remain outside the control of the Vientiane government. That government might also lose a autober of key towns to the Pather Lae such as, for example, Kieng Khous E. Phong Saly, and even Luang Prabang.

If the Phousai forces firmly secure their position at Vientians, a Communist-dominated government will probably be set up at Sam. Neus. The Communists will try to give this government a national front flavor. Their choice to head it would almost certainly be Souvanna Phousa, in the event they could persuade him to accept i. The Bloc countries would promptly recognise and support such a Sam Neus government.

We conclude that there is grave danger of a most serious threat to the very existence of the Bean Cum-Pheumi government over the coming days and weeks and that our policy and planning, in addition to the above factors, should take into account the very favorable geographic position of the Communist forces with respect to Laos, the case with which massive guerrills operations could be mounted by the Chinese and North Vietnamese Communists, and the extent to which Moscow, Peiping and Hansi are committed to preventing Laos from passing into the control of the anti-Communists.

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